

**TOWNSHIP OF BEAVER CREEK
CRAWFORD COUNTY, MI
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

AUDITING PROCEDURES REPORT

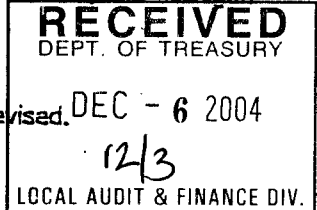
Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Beaver Creek Township		County Crawford
Audit Date 6/30/04	Opinion Date 9/9/04	Date Accountant Report Submitted to State: 12/1/04		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) Keskine, Cook, Miller & Alexander LLP			
Street Address 100 West First Street	City Gaylord	State MI	ZIP 49735
Accountant Signature Rachel Trisch			

**BEAVER CREEK TOWNSHIP
BOARD MEMBERS**

Lee Riley, Supervisor

Sharon Hartman, Clerk

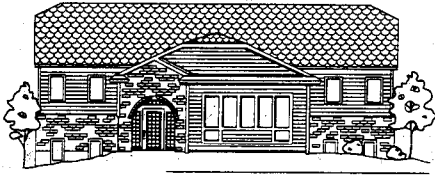
Vivian Balmes, Treasurer

Linda Little, Trustee

Kathy Mobarak, Trustee

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-5
FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	6
Statement of Activities	7
Fund Financial Statements	
Governmental Funds	
Balance Sheet	8
Reconciliation of the Balance Sheet to the Statement of Net Assets	9
Statement of Revenues, Expenditures and Changes in Fund Balance	10
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance to the Statement of Activities	11
Fiduciary Fund	
Statement of Fiduciary Net Assets	12
Statement of Changes in Fiduciary Net Assets	13
NOTES TO FINANCIAL STATEMENTS	14-25
REQUIRED SUPPLEMENTAL INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund	26-28
- Fire Fund	29
OTHER SUPPLEMENTAL INFORMATION	
Combining Balance Sheet – Non Major Funds	30
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance – Non Major Funds	31



Keskin, Cook, Miller, Smith & Alexander LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

September 9, 2004

To the Township Board
Beaver Creek Township
Crawford County, Michigan

We have audited the accompanying financial statements of the governmental activities, the major fund activities, and the aggregate remaining fund information of the Township of Beaver Creek, as of and for the year ended June 30, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, the major fund activities and the aggregate remaining fund information of the Township of Beaver Creek as of June 30, 2004, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of June 30, 2004.

The management's discussion and analysis on pages 3-5 and budgetary comparison information on pages 26-31 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Keskine Cook Miller Smith & Alexander LLP
KESKINE, COOK, MILLER, SMITH & ALEXANDER, LLP

**BEAVER CREEK TOWNSHIP
8888 S. GRAYLING ROAD
GRAYLING, MI 49738**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2004**

This section of the Beaver Creek Township annual financial report presents our discussion and analysis of the entity's financial performance during the fiscal year ended June 30, 2004.

FINANCIAL HIGHLIGHTS:

Our financial status improved over the last year. Assets totaled approximately \$860,000, of which \$640,000 represents capital assets net of accumulated depreciation. Liabilities totaled approximately \$370,000, of which \$61,000 is payable within the next fiscal year.

Overall revenues approximated \$570,000. Of this total, \$116,000 represents program revenues, consisting mainly of charges for services and program-specific grants; \$454,000 represents general revenues, primarily comprised of property tax income and state shared revenues.

Expenditures for the Township totaled \$540,000. Major expenditures include township administration, township hall and grounds, and fire protection.

The Township's taxable value increased by 6.57% during the last year, from \$74,027,076 to \$78,890,935.

The number of registered voters increased by approximately 50 people during the fiscal year.

The Township received a grant from the Michigan Department of Natural Resources (DNR). The grant income, along with monies set aside from the sale of the old township building, the Township built a 40' x 40' pavilion, constructed a walking trail, and paved the existing parking area. The Fire Department received grant monies from the Federal Emergency Management Agency (FEMA) and purchased significant fire protection equipment. A more detailed discussion of capital asset activity is presented in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about the overall financial status of the Township.

The remaining statements are fund financial statements which focus on individual parts of the entity in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities; this is one method to measure financial health or position.

Over time, increases and decreases in net assets are an indicator of whether financial position is improving or deteriorating. However, to assess overall health of the Township, you may also have to consider additional factors such as tax base changes, economic conditions, and facility conditions.

All of the activities of the Township are reported as governmental activities. The Township does not engage in any business-type activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. They also may be created by the Township Board. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following kinds of funds:

Governmental Funds

All of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the government-wide statements and the fund statements are disclosed to explain the differences between them.

Fiduciary Funds

The Township acts as a trustee or fiduciary for assets that belong to others. The Township maintains these funds and is responsible for insuring that the assets of these activities are distributed according to their intended purpose and at the direction of those to whom the funds belong. These activities do not appear in the government-wide financial statements since the assets do not belong to the Township.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets-the Township's net assets for the year ended June 30, 2004 totaled \$496,634, an increase from the prior year of \$32,791.

The increase in net assets is due primarily to the increase in the Township's property tax dollars, as a result of the increase in taxable values within the Township, as well as the grants received by the Township during the year.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund – State shared revenue continued to decrease but was offset by the grant dollars received by the Township along with the increase in taxable values of properties within the Township. Expenditures increased mainly due to the creation of a Township zoning department. The cost of the zoning department was partially offset by fees.

Fire Fund – The fire department collected grant monies from various sources and purchased fire protection equipment. Other activities remained consistent with prior years.

Park Fund – The Township received a grant for park improvements and spent the proceeds on various park projects.

Liquor Law Enforcement Fund – Activities remain stable with monies received from the State for support.

CAPITAL ASSET AND LONG TERM DEBT ACTIVITY

Capital Assets

The Township purchased approximately \$32,000 in fire protection equipment during the year. Additionally, the Township spent approximately \$83,000 on park improvements, which includes the construction of a pavilion, a walking trail, and paving of the parking lot.

Long-Term Debt

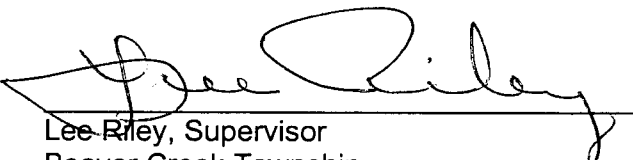
The Township incurred no new debt during the year and retired approximately \$57,000 of principal relating to its outstanding notes. The Nolan Road note payable was fully retired. Interest paid on long-term debt amounted to \$16,536.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

Some known factors are that the Township will continue to receive less money for Revenue Sharing and from the State for the next few years. The Township is growing with the addition of several housing developments. The Township's zoning department is helping to clean up certain areas within the Township and make land in some areas more desirable.

CONTACTING ENTITY MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and interested parties with a general overview of the Township's finances and to demonstrate its accountability for the revenues it receives. If you have questions concerning this report, please contact Beaver Creek Township, 8888 S. Grayling Road, Grayling, MI 49738 or call 989 275-8878.



Lee Riley, Supervisor
Beaver Creek Township

**TOWNSHIP OF BEAVER CREEK
STATEMENT OF NET ASSETS
JUNE 30, 2004**

ASSETS

Current Assets:

Cash	\$ 126,402
Receivables:	
Delinquent Taxes Receivable	18,960
Special Assessments Receivable	73,634
Total Current Assets	<u>218,996</u>

Non-Current Assets:

Capital Assets	899,534
Accumulated Depreciation	(256,088)
Total Non-Current Assets	<u>643,446</u>
Total Assets	<u><u>862,442</u></u>

LIABILITIES

Current Liabilities:

Interest Accrual	6,000
Current Portion of Long-Term Debt	54,574
Total Current Liabilities	<u>60,574</u>

Long-Term Liabilities:

Notes Payable	305,234
Total Liabilities	<u><u>365,808</u></u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	283,638
Restricted for:	
Fire Protection	11,479
Parks and Recreation	10,328
Liquor Law Enforcement	1,261
Unrestricted	189,928
Total Net Assets	<u><u>\$ 496,634</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF BEAVER CREEK
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004**

	P R O G R A M R E V E N U E S			NET (REVENUE)/ EXPENSE & CHANGE IN NET ASSETS TOTAL
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRI- BUTIONS	CAPITAL GRANTS & CONTRI- BUTIONS	
GOVERNMENTAL ACTIVITIES				
Township Administration	\$ (174,578)	\$ -	\$ 16,787	\$ -
Township Hall and Grounds	(54,822)	-	-	(54,822)
Fire Protection	(225,691)	22,303	-	10,466
Planning and Zoning	(25,658)	6,245	-	(19,413)
Sanitation	(22,098)	12,922	-	(9,176)
Parks	(15,964)	4,325	2,380	38,680
Cemetery	(1,645)	1,700	-	55
Liquor Law Enforcement	(1,227)	-	-	(1,227)
Interest on Long-Term Debt	(15,536)	-	-	(15,536)
Total Governmental Activities	537,219	(47,495)	(19,167)	(49,146)
GENERAL REVENUES				
Property Taxes, Levied for:				
General Operations				69,091
Fire Protection				205,734
State Shared Revenue (not restricted to specific purpose)				100,655
Swamp Tax				27,290
Property Tax Administration Fee				25,208
Interest Income				6,868
Rents and Royalties				13,352
Other				6,004
Total General Revenues				454,202
Change in Net Assets				32,791
Net Assets - Beginning of Year				463,843
Net Assets - End of Year				\$ 496,634

See accompanying notes to financial statements.

**TOWNSHIP OF BEAVER CREEK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

	<u>MAJOR FUNDS</u>		<u>NON MAJOR FUNDS</u>	<u>TOTAL</u>
	<u>GENERAL</u>	<u>FIRE</u>		
ASSETS				
Cash and Equivalents	\$ 113,672	\$ 1,141	\$ 11,589	\$ 126,402
Receivables:				
Delinquent Taxes Receivable	8,622	10,338	-	18,960
Special Assessments Receivable	73,634	-	-	73,634
Total Assets	<u>195,928</u>	<u>11,479</u>	<u>11,589</u>	<u>218,996</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Deferred Revenue	73,634	-	-	73,634
Fund Equity:				
Unreserved/Undesignated	122,294	-	-	122,294
Reserved for:				
Fire Protection	-	11,479	-	11,479
Parks and Recreation	-	-	10,328	10,328
Liquor Law Enforcement	-	-	1,261	1,261
Total Fund Equity	<u>122,294</u>	<u>11,479</u>	<u>11,589</u>	<u>145,362</u>
Total Liabilities and Fund Equity	<u>\$ 195,928</u>	<u>\$ 11,479</u>	<u>\$ 11,589</u>	<u>\$ 218,996</u>

See accompanying notes to financial statements.

**TOWNSHIP OF BEAVER CREEK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES (PER BALANCE SHEET)	\$	145,362
--	----	---------

Amounts reported for governmental activities in the Statement of Net
Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not recorded in the funds		643,446
Long-term debt and accrued interest are not recorded in the fund financial statements		(365,808)
The fund financial statements do not recognize revenue until it is measurable and available; the government-wide statements record revenue as it is earned, regardless of when it is collected. This amount represents the revenue that has been deferred in the fund statements but recognized as revenue in the government-wide statements		73,634

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES (PER STATEMENT OF NET ASSETS)	\$	496,634
---	----	---------

See accompanying notes to financial statements.

TOWNSHIP OF BEAVER CREEK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004

	<u>MAJOR FUNDS</u>		<u>NON MAJOR FUNDS</u>	<u>TOTAL</u>
	<u>GENERAL</u>	<u>FIRE</u>		
REVENUES				
Federal Sources:				
FEMA Grant	\$ -	\$ 2,649	\$ -	\$ 2,649
State Sources:				
State Shared Revenue	100,655	-	1,319	101,974
Industrial Facility Tax	740	-	-	740
Swamp Tax	27,290	-	-	27,290
Summer Tax Collection Reimbursement	13,497	-	-	13,497
DNR Grant	-	-	38,680	38,680
Local Sources:				
Taxes and Assessments	87,784	205,734	-	293,518
Property Tax Administration Fee	25,208	-	-	25,208
Trash Bag Sales	12,922	-	-	12,922
Rents/Royalties	13,352	-	-	13,352
Cemetery Lot Sales	1,700	-	-	1,700
Lease Income	-	17,945	-	17,945
Local Grants	-	7,817	-	7,817
Interest	1,853	105	46	2,004
Other	12,345	6,812	5,386	24,543
Total Revenues	297,346	241,062	45,431	583,839
EXPENDITURES				
General Government	222,337	-	-	222,337
Public Safety	25,658	237,761	1,227	264,646
Public Works	24,136	-	-	24,136
Recreation and Culture	-	-	89,838	89,838
Debt Service	35,504	38,440	-	73,944
Total Expenditures	307,635	276,201	91,065	674,901
Excess (Deficiency) of Revenues Over Expenditures	(10,289)	(35,139)	(45,634)	(91,062)
OTHER FINANCING SOURCES/(USES)				
Operating Transfers In/(Out)	(67,000)	20,000	47,000	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(77,289)	(15,139)	1,366	(91,062)
Fund Balance - Beginning of Year	199,583	26,618	10,223	236,424
Fund Balance - End of Year	\$ 122,294	\$ 11,479	\$ 11,589	\$ 145,362

See accompanying notes to financial statements.

**TOWNSHIP OF BEAVER CREEK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004**

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(91,062)
---	-----------	-----------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay purchases are recorded as an expenditure in the fund financial statements but are recorded as capital assets in the government-wide statements		116,303
Depreciation expense, recorded in the government-wide financial statements		(37,028)
Payments on long-term debt are recorded as an expenditure in the fund financial statements but are a reduction to outstanding balances in the government-wide statements		58,407
Some revenues reported in the government-wide statements are not considered available for the fund financial statements and therefore are not recorded until future periods		(13,829)

CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES - PER STATEMENT OF ACTIVITIES	\$	32,791
---	-----------	---------------

See accompanying notes to financial statements.

**TOWNSHIP OF BEAVER CREEK
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2004**

ASSETS

Cash (to be disbursed to other governmental units)	\$ -
	<hr/>

NET ASSETS

Net Assets (held in trust for other governmental units)	\$ -
	<hr/> <hr/>

See accompanying notes to financial statements.

**TOWNSHIP OF BEAVER CREEK
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2004**

ADDITIONS

Property taxes, penalties, and interest collected for Beaver Creek Township	\$ 302,034
Property taxes, penalties, and interest collected for other units of government	2,317,198
	<hr/>
Total Additions	2,619,232
	<hr/>

DEDUCTIONS

Property taxes, penalties, and interest paid to Beaver Creek Township	302,034
Property taxes, penalties, and interest paid to other units of government	2,317,198
	<hr/>
Total Deductions	2,619,232
	<hr/>

Change in Net Assets	-
----------------------	---

Net Assets Held in Trust - Beginning of Year	-
---	---

Net Assets Held in Trust - End of Year	<hr/> <hr/> \$ -
---	------------------

See accompanying notes to financial statements.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE A: ENTITY

The Township of Beaver Creek is located in Crawford County, Michigan and has a population of approximately 1,500 people. The Township offices are located at 8888 South Grayling Road, Grayling, Michigan.

The criteria for determining the various governmental functions to be included in the reporting entity's financial statements include oversight responsibility, scope of public service, and special financing relationships. On this basis, the financial statements include all the governmental functions of the Township of Beaver Creek.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Beaver Creek Township are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of Beaver Creek Township conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On July 1, 2003, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT
PRESENTATION**

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Township as a whole, excluding fiduciary activities, such as tax collection activities.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)**

Government-Wide Financial Statements (Continued)

Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The Township does not engage in any business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:
General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants and other inter-governmental revenues.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS (CONTINUED)

Fire Fund – This fund is used to account for all financial activity related to the Township's Fire Department. The main source of revenue is derived from property taxes.

The Township reports its Park and Liquor Law Enforcement Funds as non-major funds.

Other Funds

Fiduciary Fund - This fund is used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the government-wide financial statements, in accordance with GASB Statement No. 34.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

PROPERTY TAXES

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

- a) Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls.
- b) In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records property tax revenue on the lien date when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2001 are recorded as revenue in the current fiscal year.
- c) The Township 2003 tax roll millage rate was 0.9701 mills. Fire and road taxes are derived from special assessments.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS

The following procedures are followed in establishing the budgetary data reflected in these general purpose financial statements.

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.
10. Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follow

Buildings and improvements	25 – 40 years
Land improvements	10 – 20 years
Machinery and equipment	5 – 10 years
Fire Vehicles	20 years

Land and construction in progress are not depreciated.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENCUMBRANCES

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

ACCUMULATED UNPAID BENEFITS

Employees are not allowed to accumulate vacation and sick pay; therefore, no accumulated amount has been recorded in these financial statements.

NOTE C: CASH AND EQUIVALENTS

Cash consists of bank accounts or securities with original maturities of 90 days or less.

All cash deposits are maintained in financial institutions in the Northern Michigan area. The Township's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the Township or by its agent in the Township's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.
- Category 3 - Uncollateralized.

	BANK BALANCE	1	CATEGORY		BOOK BALANCE
			2	3	
General	\$ 104,271	\$100,000	\$ -	\$ 4,271	\$ 113,672
Fire	1,111	-	-	1,111	1,141
Park	6	-	-	6	10,328
Liquor	1,261	-	-	1,261	1,261
TOTAL	<u>\$ 106,649</u>	<u>\$100,000</u>	<u>\$ -</u>	<u>\$ 6,649</u>	<u>\$ 126,402</u>

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE D: SPECIAL ASSESSMENT RECEIVABLE/DEFERRED REVENUE

The Township has entered into special assessment arrangements in order to perform major improvements on two roads within the Township –Skyline and Billman Roads.

FUND FINANCIAL STATEMENTS

Under the modified accrual basis of accounting for purposes of the fund financial statements, each special assessment is recorded as a receivable and deferral until a portion of the assessment is included on the tax roll, at which time the portion becomes measurable and available and is recognized as revenue. The special assessment receivable is expected to be received and recorded as revenue according to the following schedule:

	<u>Billman Road</u>	<u>Skyline Road</u>	<u>TOTAL</u>
June 30, 2005	\$ 5,401	\$ 5,118	\$ 13,829
2006	5,401	5,118	13,828
2007	5,401	5,118	10,519
2008	5,401	5,118	10,519
2009	5,401	5,118	10,519
2010-2011	<u>10,803</u>	<u>10,236</u>	<u>21,039</u>
TOTAL	<u>\$ 37,808</u>	<u>\$ 35,826</u>	<u>\$ 73,634</u>

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Under the accrual basis of accounting, for purposes of the government-wide financial statements, the full amount of each assessment was recognized as revenue in the initial year (no revenue was deferred). The subsequent collections each tax year, according to the schedule above, reduce the special assessment receivable.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE E: CAPITAL ASSETS

<u>CAPITAL ASSETS NOT DEPRECIATED</u>		<u>CAPITAL ASSETS DEPRECIATED</u>			
	<u>Land</u>	<u>Buildings & Components</u>	<u>Machinery & Equipment</u>	<u>Data Handling Equip</u>	<u>Totals</u>
Governmental Activities					
Balance, July 1, 2003	\$ 45,000	\$ 348,769	\$ 367,151	\$ 22,312	\$ 783,232
Increases	-	76,740	39,562	-	116,302
Decreases	-	-	-	-	-
Balance, June 30, 2004	<u>45,000</u>	<u>425,509</u>	<u>406,713</u>	<u>22,312</u>	<u>899,534</u>
Accumulated Depreciation					
Balance, July 1, 2003	-	77,088	131,960	10,012	219,060
Increases	-	12,134	21,557	3,337	37,028
Decreases	-	-	-	-	-
Balance, June 30, 2004	<u>-</u>	<u>89,222</u>	<u>153,517</u>	<u>13,349</u>	<u>256,088</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,000</u>	<u>\$ 336,287</u>	<u>\$ 253,196</u>	<u>\$ 8,963</u>	<u>\$ 643,446</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Township Administration	\$ 2,523
Fire	19,653
Township Hall & Grounds	5,298
Parks	<u>9,554</u>
Total	<u>\$ 37,028</u>

NOTE F: LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

	<u>Balance 7/1/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/04</u>
Fire Truck	\$ 62,821	\$ -	\$ 15,710	\$ 47,111
Twp. Hall	152,000	-	12,667	139,333
Fire Van	8,750	-	2,917	5,833
Fire Hall	96,800	-	12,100	84,700
Nolan Road	2,833	-	2,833	-
Sky/Bill Road	<u>94,011</u>	<u>-</u>	<u>11,180</u>	<u>82,831</u>
Total	<u>\$ 417,215</u>	<u>\$ -</u>	<u>\$ 57,407</u>	<u>\$ 359,808</u>

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE F: LONG-TERM DEBT (CONTINUED)

Fire Truck

Installment purchase contract, original balance of \$79,531 due in annual installments of \$15,710 plus interest at 3.75% per annum through March 2008. \$ 47,111

Township Hall

Installment purchase contract with an original balance of \$190,000 due in fifteen annual installments of \$12,667 beginning March 31, 2001 plus semi-annual interest at the rate of 4.25%. 139,333

Fire Van

Note with original balance of \$17,500 due in six annual installments of \$2,917 beginning October 2000 through October 2006, plus semi-annual interest at the rate of 5.34%. 5,833

Fire Hall Addition

Installment purchase contract with original balance of \$121,000. Due \$12,100 annually beginning February 2002 through 2012, plus at 3.99%. 84,700

Skyline/Billman Roads

Note payable with original balance of \$105,191, principal due in annual principal installments of \$11,180 plus interest at 3.99%. Payable July 2002 through 2008. 82,831

Total	\$ 359,808
Less: Current Portion	(54,574)
Long-Term Portion	<u>\$ 305,234</u>

Long-term debt is due as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
June 30, 2005	\$ 54,574	\$ 15,570	\$ 70,144
2006	54,573	13,396	67,969
2007	51,637	10,579	62,216
2008	35,947	9,085	45,032
2009	35,947	7,590	43,537
2010-2014	114,466	16,997	131,463
2015-2019	12,664	548	13,212
TOTAL	<u>\$ 359,808</u>	<u>\$ 73,765</u>	<u>\$ 433,573</u>

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE G: FUND BALANCE/NET ASSETS

CALCULATION OF BEGINNING NET ASSETS

The Township adopted GASB Statement No. 34 effective July 1, 2003. The following represents the reconciliation of the Townships fund balance as of July 1, 2003, to its beginning net assets balance, as presented in the Statement of Activities, for the year ended June 30, 2004:

Total Fund Balance, July 1, 2003	\$ 236,424
Record capital assets	783,232
Record accumulated depreciation	(219,060)
Record special assessment revenue	87,462
Record long-term debt	(417,215)
Record interest payable	(7,000)
Beginning Net Assets, July 1, 2003	<u>\$ 463,843</u>

NOTE H: PENSION PLAN

The Township has a defined contribution pension plan covering all full time employees. The Township contributes an amount of each employee's annual salary to the plan. Pension expense for the fiscal year ended June 30, 2004 was \$14,591.

NOTE I: CONTINGENCIES

INSURANCE COVERAGE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters.

The Township participates in the Michigan Township Participants plan, a self insured group. The pool is considered a public entity risk pool. The Township pays annual premiums to the pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of reinsurance. The Township has not been informed of any special assessments being required. There were no significant changes in coverage.

**TOWNSHIP OF BEAVER CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

NOTE I: CONTINGENCIES (CONTINUED)

GRANTS

The Township has received grant monies from federal, state, and local sources. Grant monies are subject to audit by the grantor. Upon audit, some expenditures may be disallowed and as a result, those amounts may be refundable. Such refunds, if any, are generally payable from the Township's unrestricted fund balance. The Township feels that any potential disallowances, if any, are immaterial.

NOTE J: OPERATING LEASE

Beaver Creek Township has entered into an operating lease agreement with Mobil Medical Response, Inc. (MMR). MMR leases a portion of the Township's fire hall for \$12,100 per year for 10 years. The annual lease payment is equivalent to the amount required to satisfy the Township's debt service relating to the fire hall addition (described in Note F).

The cost of the leased property is approximately \$200,000. The Township recognized \$12,100 in lease income in the Fire Fund for the fiscal year ended June 30, 2004. It will recognize that amount each fiscal year until the lease agreement terminates in the year 2012.

TOWNSHIP OF BEAVER CREEK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
State Sources:				
State Shared Revenue	\$ 104,000	104,000	\$ 100,655	(3,345)
Swamp Tax	27,300	27,300	27,290	(10)
Industrial Facility Tax	750	750	740	(10)
Summer Tax Collection Reimbursement	13,500	13,500	13,497	(3)
Local Sources:				
Property Taxes	71,000	71,000	69,091	(1,909)
Special Assessments - Roads	18,000	18,000	18,693	693
Property Tax Administration Fee	26,000	26,000	25,208	(792)
Cemetery Lot Sales	1,000	1,000	1,700	700
Rents and Royalties	6,000	6,000	13,352	7,352
Trash bag Sales	16,000	16,000	12,922	(3,078)
Zoning Fees	5,000	5,000	6,245	1,245
Interest	4,600	4,600	1,853	(2,747)
Miscellaneous	13,650	13,650	6,100	(7,550)
Total Revenues	306,800	306,800	297,346	(9,454)
EXPENDITURES				
GENERAL GOVERNMENT				
Township Board:				
Trustee Wages	4,550	4,550	4,548	2
Fringe Benefits	20,428	20,428	21,678	(1,250)
Postage	3,200	3,200	3,248	(48)
Supplies	1,200	1,200	1,124	76
Public Safety	750	750	743	7
Printing and Publishing	2,500	2,500	1,855	645
Insurance and Bonds	6,300	6,300	6,231	69
Miscellaneous	8,582	8,582	3,447	5,135
Township Dues	1,200	1,200	1,440	(240)
Education and Training	200	200	-	200
Contractual Road Repairs	19,000	19,000	-	19,000
Computer Software	-	-	154	(154)
Computer Support	5,000	5,000	5,609	(609)
Total Township Board	72,910	72,910	50,077	22,833
Township Supervisor:				
Wages	20,421	20,421	20,421	-
Fringe Benefits	3,219	3,219	3,202	17
Mileage	250	250	88	162
Education and Training	1,000	1,000	650	350
Total Township Supervisor	24,890	24,890	24,361	529
Assessor:				
Contractual Services	26,232	26,232	26,232	-
Mapping	1,000	1,000	1,000	-
Total Assessor	27,232	27,232	27,232	-

TOWNSHIP OF BEAVER CREEK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Township Clerk:				
Wages	21,871	21,871	21,871	-
Fringe Benefits	13,360	13,360	12,997	363
Deputy Wages	1,000	1,000	1,106	(106)
Mileage	250	250	298	(48)
Education and Training	100	100	220	(120)
Total Township Clerk	36,581	36,581	36,492	89
Board of Review:				
Wages	800	800	715	85
Miscellaneous	50	50	86	(36)
Total Board of Review	850	850	801	49
Township Treasurer:				
Wages	20,421	20,421	20,421	-
Fringe Benefits	12,905	12,905	13,497	(592)
Deputy Wages	250	250	15	235
Mileage	400	400	339	61
Education and Training	100	100	70	30
Total Township Treasurer	34,076	34,076	34,342	(266)
Building and Grounds:				
Custodian Wages	8,500	8,500	11,318	(2,818)
Secretary Wages	13,100	13,100	13,566	(466)
Fringe Benefits	3,986	3,986	2,124	1,862
Supplies	3,000	3,000	2,905	95
Snow Removal	1,000	1,000	742	258
Mileage	600	600	309	291
Electric	3,200	3,200	3,118	82
Phone	3,000	3,000	4,151	(1,151)
Heat	3,400	3,400	3,848	(448)
Repair and Maintenance	1,000	1,000	2,594	(1,594)
Miscellaneous	2,250	2,250	409	1,841
Capital Outlay	2,000	2,000	2,402	(402)
Total Buildings and Grounds	45,036	45,036	47,486	(2,450)
Cemetery:				
Supplies	100	100	100	-
Contractual Services	1,000	1,000	1,050	(50)
Electricity	100	100	91	9
Repairs and Maintenance	200	200	305	(105)
Total Cemetery	1,400	1,400	1,546	(146)
TOTAL GENERAL GOVERNMENT	242,975	242,975	222,337	20,638

TOWNSHIP OF BEAVER CREEK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
PUBLIC SAFETY				
Planning and Zoning:				
Wages	21,500	21,500	17,765	3,735
Legal	3,000	3,000	3,114	(114)
Printing and Publishing	-	-	295	(295)
Miscellaneous	1,600	1,600	4,484	(2,884)
TOTAL PUBLIC SAFETY	26,100	26,100	25,658	442
PUBLIC WORKS				
Department of Public Works:				
Utilities	1,700	1,700	1,589	111
Repairs and Maintenance	500	500	306	194
Street Lighting	100	100	143	(43)
Total Department of Public Works	2,300	2,300	2,038	262
Sanitation:				
Wages	5,500	5,500	5,355	145
Annual Cleanup	3,500	3,500	3,175	325
Snow Removal	500	500	8,897	(8,397)
Refuse Removal Charge	9,000	9,000	-	9,000
Repairs and Maintenance	200	200	107	93
Permits	75	75	-	75
Supplies and Equipment	5,000	5,000	4,564	436
Total Sanitation	23,775	23,775	22,098	1,677
TOTAL PUBLIC WORKS	26,075	26,075	24,136	1,939
DEBT RETIREMENT				
Debt Retirement	20,750	20,750	26,680	(5,930)
Interest on Debt	-	-	8,824	(8,824)
TOTAL DEBT RETIREMENT	20,750	20,750	35,504	(14,754)
Total Expenditures	315,900	315,900	307,635	8,265
Excess (Deficiency) of Revenues over Expenditures	(9,100)	(9,100)	(10,289)	(1,189)
OTHER FINANCING USES				
Operating Transfers Out	-	-	(67,000)	(67,000)
Excess (Deficiency) of Revenues over Expenditures and Other Uses	(9,100)	(9,100)	(77,289)	(68,189)
Fund Balance - Beginning of Year	199,583	199,583	199,583	-
Fund Balance - End of Year	<u>\$ 190,483</u>	<u>\$ 190,483</u>	<u>\$ 122,294</u>	<u>\$ (68,189)</u>

TOWNSHIP OF BEAVER CREEK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE FUND
YEAR ENDED JUNE 30, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Federal Sources:				
FEMA Grant	\$ 24,979	\$ 24,979	\$ 2,649	\$ (22,330)
Local Sources:				
Taxes and Assessments	206,078	206,078	205,734	(344)
Lease Income	17,945	17,945	17,945	-
Local Grants	7,817	7,817	7,817	-
Charges for Services	3,000	3,000	3,000	-
Interest	120	120	105	(15)
Other	2,358	2,358	3,812	1,454
Total Revenues	262,297	262,297	241,062	(21,235)
EXPENDITURES				
Wages	112,000	112,000	115,129	(3,129)
Fringe Benefits	37,803	37,803	40,039	(2,236)
Office Supplies	650	650	1,746	(1,096)
Rescue Supplies	2,700	2,700	3,821	(1,121)
Repairs and Maintenance	10,650	10,650	12,700	(2,050)
Miscellaneous	2,860	2,860	3,670	(810)
Liability Insurance	8,900	8,900	8,951	(51)
Utilities	10,200	10,200	9,848	352
Education and Training	5,000	5,000	5,428	(428)
Capital Improvements	36,496	36,496	36,429	67
Debt Retirement	52,938	52,938	38,440	14,498
Total Expenditures	280,197	280,197	276,201	3,996
Excess (Deficiency) of Revenues over Expenditures	(17,900)	(17,900)	(35,139)	(17,239)
OTHER FINANCING SOURCES				
Operating Transfers In	-	-	20,000	20,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(17,900)	(17,900)	(15,139)	2,761
Fund Balance - Beginning of Year	26,618	26,618	26,618	-
Fund Balance - End of Year	\$ 8,718	\$ 8,718	\$ 11,479	\$ 2,761

**TOWNSHIP OF BEAVER CREEK
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004**

		PARK	LIQUOR LAW ENFORCEMENT	TOTAL
	ASSETS			
Cash		\$ 10,328	\$ 1,261	\$ 11,589
	FUND EQUITY			
Fund Balance - Unreserved, Undesignated		\$ 10,328	\$ 1,261	\$ 11,589

**TOWNSHIP OF BEAVER CREEK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004**

	PARK	LIQUOR LAW ENFORCEMENT	TOTAL
REVENUES			
State Sources:			
DNR Grant	\$ 38,680	\$ -	\$ 38,680
State Shared Revenue	-	1,319	1,319
Local Sources:			
Donations	1,061	-	1,061
Interest on Investments	40	6	46
Other	4,325	-	4,325
Total Revenues	44,106	1,325	45,431
EXPENDITURES			
Recreation and Culture	89,838	-	89,838
Public Safety	-	1,227	1,227
Total Expenditures	89,838	1,227	91,065
Excess (Deficiency) of Revenues over Expenditures	(45,732)	98	(45,634)
OTHER FINANCING SOURCES			
Operating Transfers In	47,000	-	47,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	1,268	98	1,366
Fund Balance - Beginning of Year	9,060	1,163	10,223
Fund Balance - End of Year	\$ 10,328	\$ 1,261	\$ 11,589